

CONTRACT REVIEW COMMITTEE

Meeting of January 21, 2016

Minutes of the meeting of: The meeting took place at 10:00 at 4 Fairgrounds Road, Nantucket, MA 02554.

Members Present: Dorothy Hertz, Stephen Maury, Bert Johnson, John Belash, Joe Aguiar Mary Wawro (participated remotely)

Members absent: Augie Ramos

Staff Present: Ann Medina, Rachel Chretien, Brian Turbitt Town's Director of Municipal Finance

Members of the Public: Tess Pearson, Athalyn Sweeny, Amanda Congdon, Kevin Marshall Mark Conley participated remotely

I. Called to Order: meeting called to order at 1:00

II. Quorum: a quorum was established

III. Approval of Agenda: the agenda was unanimously approved

IV. Action and Discussion: Deliberations and action on FY17 recommendations, Family and Children's Services

Quorum was established.

Meeting was called to order at 10:00

Dorothy read a statement proposal from the CRC stipulating that Family & Children's Services (F&C) hire a business manager with part of the of the funding for FY17.

F&C responded that this was the first time hearing this proposal and expressed concern that this would leave a huge gap in services. Tess stated that F&C has a weekly financial advisor; F&C received \$30,000 from a private benefactor for this, and these funds are specific to financial matters, they cannot be used to provide services.

The CRC expressed concerns about the future of F&C and what will happen when the space at Gouin Village is no longer available to them because it is owned by the Nantucket Cottage Hospital, and F&C has not had to pay rent. The CRC would like to see a plan.

The CRC proposal is \$70,000 for a business manager; F&C does not know how they would find someone to do the job for that amount. The CRC looked at the other agencies requesting funds and the director's salaries are approximately \$70,000 that is how they came up with that figure. Would it be beneficial to have someone 'in house' that these funds could be used for?

The main concern for F&C is clinical services and to continue to provide these services to the community, one of the grants that F&C received is going to be cut 75% and that grant serves 25% of their clients. Should the town's funds be used for a manager instead of being used for uninsured folks? F&C referenced the number of suicides occurring over the last year and the number of drug overdoses in the last week; suggested that the Town would be responsible for future similar occurrences if funding was approved at a level lower than requested. F&C is not going to put itself in a position to fail.

This is a grant that F&C comes to the town for every year, and F&C receives a third of the human services funding. The town supports these services. CRC also has been told that F&C would have to close their doors and the CRC needs to know that F&C is financially stable, fiscal soundness has been an overriding issue for a long time at F&C. The F&C board over the last three years has done a tremendous job turning this agency around. The CRC would like to see quarterly reports done so that anyone could look at it and understand it, right now it looks as if the town funds pays for everyone who walks through the door at F&C.

The F&C asked what areas the CRC discussed or evaluated that a business manager can fix? The billing records, classify services in a different way, it is hard to get a sense of what F&C is doing. Anyone should be able to ask a question and get an answer. F&C has always used quick books and they have always been transparent and they are willing to work with Brian Turbitt. Brian Turbitt, Dorothy, Tess Pearson and Mark Conley have worked together on this and that is why the second quarter report looks different.

CRC informed F&C of the opportunity to and requested that F&C modify and submit a new request to CRC.

The CRC will do final deliberations, they were supposed to present to FinCom on Tuesday but will ask for an extension because Dorothy has to write a report after final deliberations are done. The CRC will have to meet with F&C again. Tess will contact F&C board members, and when they come back do they have to come back with a written request? It is recommended. The CRC will wait to hear from F&C before scheduling a meeting.

Stephen will put together something about what the business manager position should be and send it to Ann who will send it out to the other CRC members. The biggest concern, even though their numbers look strong, they still cannot answer the question: What would happen to donations from private donors if the economy fails? F&C is cutting services and asking for more funding, F&C still provides emergency services, they do not provide crisis intervention.

John Belash left at 11:10

For the statement of work, in the contract, it comes from the agency's budget request packet, basically it is what the agency is committing to do. The language can be tightened up so that it is clear as to what the town funds are supporting.

Bert Johnson left at 11:55.

A motion to adjourn was made and seconded. The meeting adjourned at 12:00.

Respectfully submitted by

Ann Medina

Subject: FW: CRC

Dear Tess,

I was hoping to hear from you via email by Friday afternoon, as to a date you had been able to coordinate with your Board. It is essential that I have some response by Monday afternoon. In order for the CRC to hold a meeting we must post it forty eight hours prior to the meeting date. We need to do our final Deliberations by Thursday afternoon. I appreciate the effort it takes to pull together a meeting especially with so many in such diverse locations. Thanks for the effort. Below is a summary of what we presented to the FCSN on January 21st.

The Human Services Contract Review Committee (CRC) continues to support Family and Children's Services of Nantucket (FCSN) in its role addressing substance abuse disorders and mental health disorders in this community. As evidenced by its history of funding FCSN's grant requests this committee recognized the vital nature of FCSN's services and is committed to the long term viability of the organization. After reviewing FCSN's grant request for fiscal year 2017 and after several discussions with FCSN's director, board members and accountants, it is the opinion of the CRC that FCSN's financial situation is improving but has not yet demonstrated a plan for long term sustainability. In a continuance of its effort to support FCSN's and in order to help achieve sustainability, CRC has recommended that the FCSN amend its grant request to include a requirement that a portion of the grant proceeds be used to fund the hiring of a business manager.

As described at our January 21st meeting, the CRC recommends that the following be requirements of this new position:

1. be a licensed CPA or have at least three years experience in business management, preferably in the non-profit sector with at least a bachelor's degree, preferably in business management.
2. work at least 32.5 hours per week
3. have a working understanding of Kareo, or other software which FCSN uses in place of Kareo

The CRC further suggested that the position be advertised for at least two weeks in the Inquirer & Mirror, Cape Cod Time, Boston Globe and on FCSN's website. The CRC recommended that FCSN's revised grant request allow for up to \$70,000 from the grant proceeds be used to fund this position.

All grant proceeds not used to fund the position would be allocated for individual mental health and substance abuse care for uninsured clients.

The CRC sees the hiring of a business manager as an important step toward long term viability. Recent improvements in the financial well being of FCSN are owed, in part, to a one-time reclassification of a liability to an asset, better then expected charitable donation at the end of calendar year 2016 and the cutting of critical care services in the emergency room at the hospital. These events cannot be counted for sustained success. A qualified, full-time business manager will help form a longterm financial plan while also assuming some of the duties of the director and outside consultants. Managing the staff and overseeing the operation of the Seconds Shop, planning and overseeing major fundraisers, grant writing, and developing a capital plan are a few of the duties which would fall under the purview of the business manager while scheduling, staffing, strategic planning for the delivering of services and day to day operations would not.

It is the opinion and expectation of the CRC that this business manager will provide a financial benefit to FCSN in excess of the salary through cost avoidance, an increase in proceeds from the Seconds Shop major fundraisers and improved efficiency from having a single, full-time employee perform the duties of several part-time employees and outside contractors. Further, the business manager will assume some of the duties currently assigned to the director allowing for more time to spent on strategic planning, management and with clients.

FCSN may submit an amended Human Service Grant application.

Respectively

Dorothy Hertz

CRC

Chair